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DE 10-195

February 24, 2011

Mr. Clifton Below  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429



Gerald F. DeNotto  
PRESIDENT

Dear Mr. Below:

We are writing to strongly urge you to oppose the approval of the power purchase agreement between PSNH and Laidlaw Berlin BioPower, LLC. Below we have listed some of the ways the approval of the agreement will negatively affect New Hampshire and its energy industry for years to come. However, before we set out the reasons against the Laidlaw agreement, we want to mention some of the benefits that our existing power plant, which will be harmed by the approval of the agreement, brings to New Hampshire.

Indeck Energy is the owner of the Indeck Alexandria biomass-fueled power plant in Alexandria, NH. Indeck Alexandria has twenty (20) full time employees and supports one hundred (100) additional jobs, pays into the local tax base and buys services and products from local businesses. Indeck Alexandria's annual expenditures for payroll, wood supply, property taxes and maintenance are about \$8.5 million per year. The benefits of businesses like Indeck Alexandria are well known, but seem to be taken for granted.

Below are some of the foreseeable negative effects of approving the Laidlaw agreement.

First, the Laidlaw agreement will result in the rate payers of New Hampshire, including every renter, homeowner and business served by PSNH, overpaying hundreds of millions of dollars for electricity over the life of the agreement.

Second, it will send a cautionary signal to all energy producers and energy sector lenders thinking of doing business in New Hampshire or expanding an existing one that business must be conducted in the political arena, not the market place. We believe PSNH would have preferred not to have entered into this agreement.

Third, the Laidlaw plant is too big and as a result will unfairly compete for biomass because its contract allows it to be less sensitive to the price of biomass and, thus will raise the price of biomass for the struggling existing plants. The Laidlaw plant is planning to bring in wood from 150-200 miles away, a costly logistical idea that is unheard of in the biomass energy industry in this country. Biomass is the highest operating cost for the existing plants and they cannot absorb higher fuel costs. Also, if the super-sized Laidlaw agreement is approved, PSNH is unlikely to enter into power purchase agreements with the existing plants.



Fourth, it will cause the loss of jobs among the existing power plants as well as the jobs outside the plant that each plant supports. Jobs gained in Berlin will be offset by job losses in other parts of the state. Some of the plants, at risk today, were shut down before because of market factors and stayed closed for a long time. For instance, we reopened Indeck Alexandria in 2008 after its original owner had shut it down in 1997. Let's hope New Hampshire learned the lesson that once a plant closes, it could be many years before it starts up again, if ever.

Please support the existing independent power plants, their employees and families, and suppliers. Thank you.

Sincerely,

INDECK ENERGY SERVICES, INC.

A handwritten signature in black ink, appearing to read "Gerald F. DeNotto", with a horizontal line extending from the end of the signature.

Gerald F. DeNotto  
President

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